CalMedForce
Allowable Costs for the Use of Graduate Medical Education (GME)

CalMedForce is a publicly funded program through voter-approved tobacco tax revenues (Proposition 56 in 2016) and administered by PHC.
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CalMedForce Grant Funds

Proposition 56 (Prop 56), the California Healthcare, Research & Prevention Tobacco Tax Act of 2016, provides $40 million annually to sustain, retain and expand Graduate Medical Education (GME) programs throughout California. CalMedForce grant award funds may be used exclusively to support costs directly associated with graduate medical education. Awardees of CalMedForce grants may be subject to examination and/or audit by Physicians for a Healthy California (PHC) and/or the California State Auditor (CSA) for a period of three years after receipt of Final Fiscal and/or Progress Reports.

Per the contract, awardees shall maintain receipts, records, and other documentation substantiating the use of all grant funds for a period of three years after receipt of Final Fiscal and/or Progress Reports, which shall be promptly produced upon the request of PHC and/or the CSA. Any examination and/or audit will be confined to those matters connected with the performance of the award, as defined, and determined by PHC and/or the CSA. The determination of which costs are directly associated with graduate medical education is subject to change; awardees will be notified of any such changes.

Allowable Costs

The following costs constitute expenses that may be paid by a CalMedForce grant:

**Contractual and Consultant Costs** purchasing goods and/or procuring services performed by an individual or organization other than the Awardee in the form of a procurement relationship. Procurement of services must be in direct support of GME. Procured services must be in accordance with the organizations established procurement policy.

**Faculty Development** costs associated with faculty development designed to enhance faculty skills as educators, improve quality and patient safety, fostering the wellbeing of faculty and their residents, and improvement of in-patient care based on practice-based learning and improvement efforts. This may include travel for training conferences and training conference registration fees.

**Information Technology (IT) Systems** education training software costs that relate to the direct advancement of graduate medical education. Examples include education modules, E-learning development software, lab training, and other medical education software.

**Insurance** malpractice insurance (For health insurance or other fringe benefits, see Salaries and Wages, below.)

**Licensing Fees** examples include but are not limited to the following, physician licenses and resident training certificates
**Meals** meals are included so long as the cost are reasonable and can be justified as maintaining the continuity of graduate medical education. Meals consumed during conference travel are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies or the General Services Administration fees (GSA). [https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=CA&fiscal_year=2020&zip=&city=](https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=CA&fiscal_year=2020&zip=&city=)

**Medical Equipment** education equipment used solely to enhance the advancement of graduate medical education. Funds may be used for simulation equipment and any other equipment that is required for training residents. The costs associated with medical equipment constitute allowable expenses of up to 10% maximum of the total CalMedForce grant amount. A justification and appropriate documentation that equipment is required for resident training must be provided upon request.

**Memberships, Subscriptions, and Professional Activity Costs** fees for resident or faculty membership in professional or technical organizations/associations. Subscriptions to professional and technical periodicals are also permitted. Publications.

**Non-Medical Benefits** reasonable relocation costs, and other non-medical benefits that contribute to the well-being of residents.

**Salaries, Benefits and Wages** funds used to support residents, including stipends and medical benefits. Funds used to support supervising faculty to the extent they supervise residents. For example, supervising faculty that spend 50% of their dedicated time supervising residents may have only 50% of their salary and/or medical benefits supported by grant funds. Funds may be used to support administrative personnel that directly involve/manage the awarded residency program. Administrative costs must detail the number of full-time employees (FTE), role, and tasks in budget reporting. Documentation of the use of these funds must be made available promptly upon request and must show direct benefit to the residency program.

**Training and Education Costs** textbooks, software strictly used for resident's educational benefit, and other training education material.

**Travel and Conferences** travel to conferences, presentations, faculty development and training. Expenses claimed for travel costs must be in accordance with per diem rates established by the U.S. General Services Administration (GSA). For more information visit the following site: [https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup](https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup). This also includes registration fees for conferences. A conference is defined as a meeting, retreat, seminar, symposium, workshop, or event whose primary purpose aligns with the graduate medical education program.

**Overhead Costs**

The following costs constitute allowable overhead expenses of up to 10% of the total CalMedForce grant amount:
**Administrative costs** include expenditures for general items that support the operational needs of the GME program such as printing, telephone, office supplies and other general administrative expenses that are necessary to directly support the needs of the residency program. The grant may **not** be used to support administrative costs incurred by the sponsoring institution.

**Unallowable Costs**

**The following costs constitute expenses that may NOT be paid by a CalMedForce grant:**

**Alcoholic Beverages** a liquor that contains ethanol and has the potential to intoxicate drinkers, and it can be burned as fuel. Liquor, wine, and beer are examples of alcoholic beverages.

**Construction, Renovation, and Land or Building Acquisition** acquiring buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). Building means any permanent structure that is designed or intended for support, enclosure, shelter, or protection of a person, animals, or property having a permanent roof that is supported by columns or walls.

**Contributions and Donations** contributions or donations, including cash, property, and services, from the awardee to other entities.

**Entertainment** amusement, diversion, and social activities and any costs directly associated therewith (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities).

**Fines, Penalties, Damages, and Other Settlements** costs resulting from violations of, alleged violations of, or failure to comply with, federal, state, tribal, local, or foreign laws and regulations.

**Fundraising** organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes the salaries of personnel involved in activities to raise capital.

**Information Technology (IT) Systems** IT personnel or IT services, or for costs associated with the use of electronic health records. This includes firmware and hardware.

**Lobbying and Political Activity** attempts to influence the outcomes of any federal, state, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activities.

**Medical Equipment** acquisition costs of general-purpose equipment not used for graduate medical education purposes.
**Organization Costs**  For costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors.

**Pre-Award Costs**  any pre-award costs incurred prior to the execution date of the CalMedForce grant award agreement.

**Salaries and Wages**  salaries, wages, and fringe benefits for project staff that devote time and effort that does not directly correlate with the advancement of graduate medical education. Any costs that cannot be specifically identified and easily and accurately traced to activities that solely align with the graduate medical education program. For example, events, meetings, programs, conventions, symposia, and seminars.

**Travel**  travel to states that authorize discrimination or repeal existing laws prohibiting discrimination based on sexual orientation, gender identity, and gender expression or any other travel that would violate the restrictions of Assembly Bill No. 1887. (An up-to-date list of all banned travel can be found [https://oag.ca.gov/ab1887](https://oag.ca.gov/ab1887)) Grantees must comply with this rule for any/all grant-related travel using state funds.